



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	
	)	ORDER NO. D07-95
CHURCH LIFE INSURANCE CORP.	)	
	)	CONSENT AND ORDER
Authorized Insurer	)	LEVYING A FINE

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**FINDINGS OF FACT**

1. Church Life Insurance Corporation ("Church Life" or "The Company") became a licensed life and disability carrier in Washington in November, 2004.
2. In September, 2004, the Company self-reported to several states that it had not registered as an insurer nor paid premium taxes as a result of what it now believed might not be a valid legal theory. It has always been a licensed insurer in its home state (New York) and has no employees or property outside of that state.
3. OIC evaluated three legal theories under which the Company believed that it may not be required to become registered in Washington or pay premium tax. OIC concluded that the company was required to become a licensed insurer and pay premium tax.
4. Once this determination was made known to the Company, Church Life immediately became licensed and filed its forms, which have now all been approved. The Company also paid its premium taxes for the years it had been doing business in Washington, along with the statutory interest and penalties.
5. Church Life used a total of 38 unfiled forms in Washington before the company became authorized. There were a total of 517 policies sold in Washington from 1999 – 2003 using these unfiled forms.

**CONCLUSIONS OF LAW**

1. By transacting the business of insurance in Washington without a Certificate of Authority, the Company violated RCW 48.05.030.



2. By issuing, delivering, and using insurance policy forms which had not been filed with and approved by the Commissioner, the Company violated RCW 48.18.100(1).

3. A fine for these violations is authorized under RCW 48.05.185 in an amount not less than two hundred fifty dollars or more than ten thousand dollars.

### **CONSENT TO ORDER**

NOW, THEREFORE, Church Life Insurance Corp. consents to the following in consideration of The Company's desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of The Company's fine on such terms and conditions as are set forth below:

1. Church Life Insurance Corp. consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;

2. The OIC will impose a fine of Forty-Three-Thousand Dollars (\$43,000), and suspend Twenty-Eight-Thousand Four-Hundred Dollars (\$28,400) of that, on the conditions that:

a. Within thirty days of the entry of this Order, Church Life pays Fourteen-Thousand Six-Hundred Dollars (\$14,600);

b. Church Life Insurance Corp. commit no further violations of the statutes and regulations that are the subject of this order for a period of two years from the time this order is entered. The OIC will not impose the balance of this fine nor take action against the Certificate of Authority of Church Life should it commit isolated, de minimis violations of the statutes and regulations that are the subject of this order during the suspense period, as determined by the OIC. Church Life commits to rectifying such violations promptly once they are discovered;

c. Whether further violations of the statutes and regulations which are the subject of this Order have occurred, and whether they are isolated or de minimis, will be determined at the sole discretion of the Insurance Commissioner;

d. The Company understands and agrees that any future failure to comply with the statutes and regulations which are the subject of this Order constitutes grounds for further penalties which may be imposed in direct response to that further violation, in addition to the imposition of the suspended portion of the fine;

e. The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner according to the conditions set forth above, without any right to advance notice, hearing, or appeal; and

3. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of Church Life's Certificate of Authority.

EXECUTED this 15<sup>th</sup> day of March, 2007.

CHURCH LIFE INSURANCE CORPORATION

By: James Thuma

Title: S.V.P. General Manager

**ORDER OF THE INSURANCE COMMISSIONER**

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Church Life Insurance Corporation is ordered to pay a fine in the amount of Forty-Three Thousand Dollars (\$43,000), of which Twenty-Eight Thousand Four-Hundred Dollars (\$28,400) is suspended on the conditions set forth and agreed to above.
2. Fourteen-Thousand Six-Hundred Dollars (\$14,600) must be paid in full within thirty days of the date of entry of this order. Failure to pay this fine and to adhere to the conditions shall constitute grounds for revocation of Church Life's Certificate of Authority, and in the recovery of the fine through a civil action brought on behalf of the commissioner by the attorney general.

ENTERED AT TUMWATER, WASHINGTON this 23<sup>rd</sup> day of March, 2007.

Mike Kreidler  
Washington State Insurance Commissioner

By: Andrea L. Philhower  
Andrea L. Philhower  
Staff Attorney, Legal Affairs Division